



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

February 10, 2014

Timothy Parker
Vice-President, Operations
AllenCo Energy, Inc.
2109 Gundry Ave.
Signal Hill, CA 90755-3517

Via email and regular mail

RE: Second Information Request
AllenCo facility, Los Angeles, California

Dear Mr. Parker:

The United States Environmental Protection Agency ("EPA") Region IX is investigating the AllenCo Energy, Inc. (the "Company") oil production facility at 814 West 23rd Street in Los Angeles, California (the "Facility") for its compliance with Section 112(r)(1) of the Clean Air Act ("CAA"), 42 U.S.C. § 7412(r)(1). Pursuant to Section 114(a) of the CAA, 42 U.S.C. § 7414(a), the Administrator of EPA is authorized to require any person who owns and/or operates an emission source to establish and maintain records, make reports and provide such other information as he/she may reasonably require for the purposes of determining whether such person is in violation of any provision of the Act. On January 15, 2014, the EPA formally submitted to the Company a request to provide any documents or agreements pertaining to the use or lease of the property at 814 West 23rd Street.

The Company was under a legal obligation to respond to this request by January 21, 2014, but to date, no response has been received. The Company is hereby on notice that it is in violation of CAA Section 114(a), and is subject to all statutory penalties that EPA is authorized to seek. In addition to notifying the Company of its violation of the Section 114(a) information request requirements, this writing hereby requires, pursuant to Section 114(a) of the CAA, the Company to provide responses to the Information Request in Enclosure 2. All information submitted in response to this request must be certified as true, correct, accurate and complete by an individual with sufficient knowledge and authority to make such representations on behalf of AllenCo. On the last page of your response(s) to this Information Request, please include the certification contained in Enclosure 3.

Please provide the documents listed at Number 1 in the Documents Section of Enclosure 2 immediately, any supplemental documents listed at Number 2 in the Documents Section of Enclosure 2 by February 18, 2014, and the responses to the Questions Section in Enclosure 2 by March 3, 2014 to Mr. Virgilio Sklar, U.S. EPA Region IX legal counsel, at

sklar.virgilio@epa.gov and Mr. Jeremy Johnstone at johnstone.jeremy@epa.gov or you may provide paper copies to: Virgilio Sklar, Assistant Regional Counsel, U.S. EPA ORC, 75 Hawthorne Street, San Francisco, CA 94105

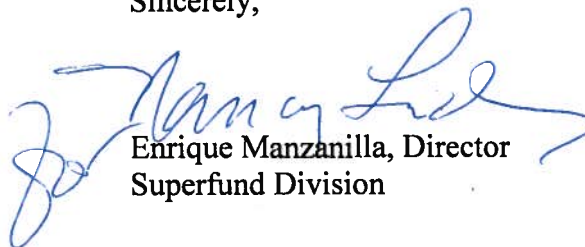
Please note that the Company's compliance with this Information Request is mandatory. Failure to respond fully and truthfully may result in enforcement action by EPA pursuant to Section 113(a)(3) of the CAA, 42 U.S.C. § 7413(a)(3). This statutory provision authorizes EPA to seek penalties up to \$37,500 for each day of noncompliance. Please be further advised that provision of false, fictitious, or fraudulent statements or representations may subject the Company to criminal penalties under 18 U.S.C. § 1001.

The Company is entitled to assert a business confidentiality claim (Enclosure 1), covering all or part of the information which this letter requires, except that no such claim can be made with respect to emission data as defined at 40 C.F.R. § 2.301(a)(2). Any such claim should be made in accordance with the procedures described at 40 C.F.R. § 2.203(b). (see Enclosure 1) EPA will provide the public with information subject to a claim of business confidentiality only in accordance with the procedures set forth at 40 C.F.R. Part 2, Subpart B. EPA may provide the public with any information not subject to such a claim without further notice. The required submission of information pursuant to Section 114 is not subject to the approval requirements of the Paperwork Reduction Act of 1980, 44 U.S.C. § 3501, *et seq.*

EPA has created a number of helpful resources for small businesses. EPA has established the National Compliance Assistance Clearinghouse as well as Compliance Assistance Centers which offer various resources to small businesses. You may inquire about these resources at www.epa.gov/rfa/index.html. In addition, the EPA Small Business Ombudsman may be contacted at www.epa.gov/sbo.

If you have questions about the legal aspects of this Information Request, please contact Mr. Virgilio Sklar, U.S. EPA Region IX legal counsel, at (415) 972-3932, or sklar.virgilio@epa.gov. The Region IX technical contact for this information request is Jeremy Johnstone, who may be reached at (415) 972-3499 or johnstone.jeremy@epa.gov. Thank you in advance for your continuing cooperation.

Sincerely,



Enrique Manzanilla, Director
Superfund Division

cc:

William Wegner, Gibson, Dunn & Crutcher

cc (via email):

J. Johnstone, U.S. EPA Region IX

V. Sklar, U.S. EPA Region IX

ENCLOSURE 1:

Confidential Business Information (CBI) Assertion and Substantiation Requirements

A. Assertion Requirements

You may assert a business confidentiality claim covering all or part of the information requested in response to this information request, as provided in 40 C.F.R. Section 2.203(b). You may assert a business confidentiality claim covering such information by placing on (or attaching to) the information you desire to assert a confidentiality claim, at the time it is submitted to EPA, a cover sheet, stamped, or typed legend (or other suitable form of notice) employing language such as "trade secret," "proprietary," "company confidential." Allegedly confidential portions of otherwise non-confidential documents should be clearly identified, and may be submitted separately to facilitate identification and handling by EPA. If you desire confidential treatment only until a certain date or until the occurrence of a certain event, the notice should so state. Information covered by such a claim will be disclosed by EPA only to the extent, and by means of the procedures, set forth in Section 114(c) of the Clean Air Act (the Act) and 40 C.F.R. Part 2. EPA will construe the failure to furnish a confidentiality claim with your response to the attached letter as a waiver of that claim, and the information may be made available to the public without further notice to you.

B. Substantiation Requirements

All confidentiality claims are subject to EPA verification in accordance with 40 C.F.R. Part 2, Subpart B. The criteria for determining whether material claimed as confidential is entitled to such treatment are set forth at 40 C.F.R. Sections 2.208 and 2.301, which provide, in part, that you must satisfactorily show that you have taken reasonable measures to protect the confidentiality of the information and that you intend to continue to do so; that the information is not and has not been reasonably obtainable by legitimate means without your consent; and the disclosure of the information is likely to cause substantial harm to your business's competitive edge.

Pursuant to 40 C.F.R. Part 2, Subpart B, EPA may at any time send you a letter asking you to substantiate fully your CBI claim. If you receive such a letter, you must provide EPA with a response within the number of days set forth in the EPA request letter. Failure to submit your comments within that time would be regarded as a waiver of your confidentiality claim or claims, and EPA may release the information. If you receive such a letter, EPA will ask you to specify which portions of the information you consider confidential. You must be specific by page, paragraph, and sentence when identifying the information subject to your claim. Any information not specifically identified as subject to a confidentiality claim may be disclosed without further notice to you. For each item or class of information that you identify as being subject to CBI, you must answer the following questions, giving as much detail as possible, in accordance with 40 C.F.R. 2.204(e).

1. What specific portions of the information are alleged to be entitled to confidential

treatment? For what period of time do you request that the information be maintained as confidential, e.g., until a certain date, until the occurrence of a specified event, or permanently? If the occurrence of a specific event will eliminate the need for confidentiality, please specify that event.

2. Information submitted to EPA becomes stale over time. Why should the information you claim as confidential be protected for the time period specified in your responses?

3. What measures have you taken to protect the information claimed as confidential? Have you disclosed the information to anyone other than a governmental body or someone who is bound by an agreement not to disclose the information further? If so, why should the information still be considered confidential?

4. Is the information contained in any publicly available material such as the Internet, publicly available databases, promotional publications, annual reports, or articles? Is there any means by which a member of the public could obtain access to the information? Is the information of a kind that you would customarily not to release to the public?

5. Has any governmental body made a determination as to the confidentiality of the information? If so, please attach a copy of the determination.

6. For each category of information claimed as confidential, explain with specificity why release of the information is likely to cause substantial harm to your competitive position. Explain the specific nature of those harmful effects, why they should be viewed as substantial, and the causal relationship between disclosure and such harmful effects. How could your competitors make use of this information to your detriment?

7. Do you assert that the information is submitted on a voluntary or a mandatory basis? Please explain the reason for your assertion. If you assert that the information is voluntarily submitted information, explain whether and why disclosure of the information would tend to lessen the availability to EPA of similar information in the future.

8. Any other issue you deem relevant

Please note that emission data provided under Section 114 of the Act, 42 U.S.C. Section 7414, is not entitled to confidential treatment under 40 C.F.R. Part 2, Subpart B.

Emission data means, with reference to any source of emission of any substance into the air:

(A) Information necessary to determine the identity, amount, frequency, concentration, or other characteristics (to the extent related to air quality) of any emission which has been emitted by the source (or of any pollutant resulting from any emission by the source), or any combination of the foregoing;

(B) Information necessary to determine the identity, amount, frequency, concentration or other characteristics (to the extent related to air quality) of the emissions which, under an

applicable standard or limitation, the source was authorized to emit (including, to the extent necessary for such purposes, a description of the manner and rate of operation of the source); and

(C) A general description of the location and/or nature of the source to the extent necessary to identify the source and to distinguish it from other sources (including, to the extent necessary for such purposes, a description of the device, installation, or operation constituting the source).

40 C.F.R. Sections 2.301(a)(2)(i)(A), (B), and (C).

If you receive a request for a substantiation letter from the EPA, you bear the burden of substantiating your confidentiality claim. Conclusory allegations will be given little or no weight in the determination. If you fail to claim the information as confidential, it may be made available to the public without further notice to you.

ENCLOSURE 2:

Please provide the documents listed at Number 1 in the Documents Section of this Enclosure immediately, any supplemental documents listed at Number 2 in the Documents Section of this Enclosure by February 18, 2014, and the responses to the requested Questions Section of this Enclosure by March 3, 2014.

Documents

1. Any and all agreements, leases or other documents associated with the use or lease of property located at 814 West 23rd Street, Los Angeles, California.
2. All documents relating to the assignment to AllenCo of any and all agreements relating to the property at 814 West 23rd Street, Los Angeles, California.

Questions

1. Provide cost information relating to work undertaken, planned, or considered to address deficiencies identified by EPA's Findings of Violation, dated January 15, 2014. Cost information may be either actual or estimated and shall be disaggregated by one-time costs (such as for engineering and permitting), capital costs (such as for equipment) and incremental annual operation and maintenance costs relative to the facility's level of effort as it existed in January 2013. Provide cost information for each of the following:
 - b. emptying, cleaning, inspecting and repairing the Facility's six atmospheric tanks;
 - c. 2012 thickness testing of atmospheric tanks undertaken in accordance with the requirements of AB 1960;
 - d. Development and implementation of inspection, testing, and preventive maintenance (ITPM) programs for the facility's
 - i. pressure vessels and pressure relief devices in accordance with API Standard 510 and RP 576;
 - ii. piping system in accordance with API Standard 570;
 - e. inspection, testing and repair of the facility's "Fire Eye" flame detectors and methane gas detectors; and
 - f. inspection, testing and repair of other components of the facility's fire suppression system.
2. Provide a statement and supporting documentation indicating AllenCo Energy, Inc's. present net worth and gross revenues for calendar and/or fiscal year 2013.
3. Provide information relating to the facility's gas handling system. This shall include at least:
 - a. a narrative description of the facility's practices and procedures to include, among other things, information documenting how all produced natural gas is consumed in the operation of the facility's microturbine generators;

- b. an estimate of the facility's rate of gas production and gas consumption in its microturbine generators (both when the facility is operating, e.g. June 2013);
 - c. a listing of the microturbine devices by make, model and serial number, and when each became operational on-site; and
 - d. a listing, by month since AllenCo began operating the facility, of the gross amount of fluids produced, number of barrels of oil sold, and an estimate of the amount of natural gas produced.
4. Provide information describing the facility's efforts to comply with SCAQMD Rule 1173, to include, at a minimum:
- a. the number of Rule 1173 sampling locations at facility;
 - b. the facility's annual monitoring cost;
 - c. copies of all reports and notices from the 3rd party consultant that performs the monitoring (Avanti);
 - d. copies of all violation notices (or equivalent) to the facility from its consultant (Avanti); and
 - e. proof of correction for each of the violation notices (or equivalent) provided in response to item "d" immediately prior.

ENCLOSURE 3:

STATEMENT OF CERTIFICATION

This Certification is for signature by the president, secretary, treasurer, or vice-president of the corporation in charge of a principal business function, or another executive with authority to perform similar policy or decision-making functions of the corporation.

AllenCo Energy, Inc. is submitting the enclosed documents in response to the U.S. Environmental Protection Agency's ("EPA") request for information, issued pursuant to Section 114(a) of the Clean Air Act, to determine whether the facility is in compliance with the Clean Air Act.

I certify that I am fully authorized by AllenCo Energy, Inc. to provide the above information on its behalf to EPA.

I certify under penalty of law that I have personally examined and am familiar with the statements and information submitted in the enclosed documents, including all attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are, to the best of my knowledge and belief, true, correct, accurate and complete. I am aware that there are significant penalties for submitting false statements and information, or omitting required statements and information, including the possibility of fines and imprisonment for knowing violations.

Date:

Name (Printed):

Signature:

Title:
